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USE OF TRAINED INTELLIGENCE ANALYSTS

SOURCE Monitored Soviet and Soviet-controlled German broadcasts

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On 28, 29, and 30 April, the Soviet-controlled German radio and press, as well as Moscow itself, devotes attention to Soviet activities allegedly aimed at improving the living standards of the population in the Soviet zone of Germany. Reports of grain and fertilizer imports from the USSR, of imminent improvement in the supply of fats, and of an "ensured" meat supply evoke enthusiastic reaction on the part of Soviet zone's German press and radio.

Also reported is a contemplated two-year "German Plan," to be realized in 1949 and 1950, whose aim is "to abolish the rationing of all foodstuffs, with the exception of fat and meat" which will "probably come off the ration after three years." "These aims," says a Berlin commentator, "are not merely empty speculations...."; and they are also underlined by one of the May Day slogans for German workers: "Produce more, distribute justly, live better."

a. 40,000-Ton Grain Import From the USSR: On 28 and 29 April, the Berlin radio reports that, according to Marshal Sokolovsky, "during the second quarter of 1948 20,000 tons of bread grain and 20,000 tons of fodder grain will be imported from the Soviet Union into the Soviet zone of Germany. These grain supplies will be paid during 1948-49 by the export of industrial products from the Soviet zone." (Berlin, in German, 28 April 1948)

On 29 April 1948, the Berlin radio proclaims that "the most important event reported in today's press is the delivery of Soviet grain to the Soviet zone." The Berlin paper NACHTEXPRESS is quoted as the first one to comment on the deliveries: "The decisive factor is that they are not linked with any conditions exceeding those normally

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connected with financial transactions of this kind"; "the credit will be short-term, to be re-paid during 1948-49 through goods."

Thus, the paper stresses, "the Soviet method provides an impulse for German industry which thus can extend its production volume of finished goods." In contrast, taking a shot at the Marshall Plan treatment of other countries, "it is most unlikely that the U.S. will accept finished goods in settlement" for its food deliveries which "are made under conditions which interfere with the production and economic policy of the debtor countries. The Soviet partners did not for a moment entertain any fear of a potential German competition." (Berlin, in German, 29 April 1948)

Berlin commentator Gessner stresses that the grain deal marks the beginning of a regular exchange of industrial products from the German side against food from the USSR. (Berlin, in German, 29 April 1948)

b. 40,000-Ton Fertilizer Import from the USSR: The Berlin radio also reports that during the second quarter of 1948, 40,000 tons of fertilizer are to be imported from the Soviet Union to help the Germans intensify agricultural cultivation. NACHTEXPRESS, discussing this promised delivery, says that the fertilizer import, together with "the switch-over of the Leuna Works from the production of synthetic fuel to that of nitrogenous fertilizers as well as the production of lime production, means that we can obtain the urgently required nitrates without being compelled to import them from overseas at prices which we cannot afford." Thus, an avoidable gap has been filled without incurring any debts, the settlement of which would be bound to cause us serious difficulties." (Berlin, in German, 29 April 1948)

But Berlin's commentator Gessner warns the German population that in spite of this Russian help, the "present misery" can only be overcome by German efforts; and he advises against reliance on "that ominous foreign aid which, in the long run, always costs too dearly." It would also be shortsighted, he says, to imagine that grain and fertilizer deliveries will remove all difficulties. The Soviet promise does not relieve the population of its duty to go all out in working for a good grain harvest; the promised quantities will not be large enough "to make good any deficit due to our own shortcomings." (Berlin, in German, 29 April 1948)

c. Tide-Over Until Harvest; Meat Supply "Ensured": TASS, quoting the Soviet-controlled German ADN news agency, says that the Director of the Board for Supply and Trade recently told the German Economic Commission of the Soviet zone that "stocks of bread and other foodstuffs are sufficient until mid-September." Meat supplies, he added, will be "ensured for the population of the zone beginning 30 June"; and fat supplies will also be "considerably improved." He also is said to have pointed to the prospects for a "fine harvest" which, if realized, will permit "potato, sugar and bread rations for certain categories of workers (to be raised." (TASS, in English to North America, 30 April 1948)

d. End of Rationing Foreseen Under "German Plan" Envisaged by Marshal Sokolovsky: Tiding Soviet zone living conditions over the summer months until the next harvest, says Gessner, was also the main subject of a conference between Marshal Sokolovsky and SED chairmen Pieck and Grotewohl, the outcome of which was the promise of the above-reported grain and fertilizer deliveries. Another outcome, of a more long-term range, was a two-year plan, a "German Plan," which is "still in the draft stage, however, and will have to be worked out within the next six months, to be realized during 1949-50." Says Gessner:

"I can say already today, though, that it is the aim of this plan to abolish the rationing of all foodstuffs with the exception of fat and meat. With regard to the latter products it is probable that they will come off the ration after three years." (Soviet-controlled Berlin, in German, 29 April 1948)

Independent of these plans, however, and provided the harvest is at least normal, the commentator assures his audience that the eastern zone can expect an increase of certain food rations this autumn. But he warns that while these aims are not merely empty speculations requiring "dollar or ruble aid," their realization nevertheless demands wholehearted efforts by everybody and will entail some sacrifice. And although progress can only be gradual, "we have sufficient confidence in our capacity and industry to say even now that we shall reach these aims."

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